

# Congress of the United States

Washington, DC 20515

November 19, 2003

## Cosponsor Bipartisan Bill to Make Over-the-Counter Drugs Tax Deductible

Dear Colleague:

Did you know that the minute a medicine switches from prescription to over-the-counter (OTC) status it is no longer a tax deductible medical expense?

Did you know that if a doctor prescribes a smoking cessation program, the cost is tax deductible, but if a smoker seeks treatment on his or her own with an over-the-counter (OTC) medicine, that cost is not? Did you know that if an individual has a leg wound and uses crutches to enhance mobility, bandages to cover the torn skin, and a doctor recommends that the individual take aspirin to treat the pain in the leg, the crutches and bandages are deductible while the OTC pain reliever is not?

These are just a few examples showing why Congress should allow OTC medicines to be included as a deductible medical expense. Under current law, the cost of prescription drugs, insulin, and most out-of-pocket healthcare costs may be included as a deductible medical expense, while OTC medicines cannot.

The medical expense deduction is becoming increasingly popular as Americans spend more out-of-pocket for healthcare. Taxpayers in the lower income brackets use the medical and dental expense deduction much more frequently than higher income earners. Unfortunately, these same Americans cannot use the deduction for OTC medicines.

The Internal Revenue Service (IRS) has recently acknowledged the value of OTCs as real medicines in a ruling which allows for the cost of these products to qualify for reimbursement from flexible spending accounts. Congress should expand on the IRS ruling, providing the tax savings to millions more Americans, by allowing OTC medicines to be included as a deductible medical expense.

If you would like to become an original cosponsor of this bipartisan legislation, please contact Matt Hoskins (DeMint) at 5-6030 or Daryl Pritchard (Slaughter) at 5-3615.

Sincerely,



Jim DeMint  
Member of Congress



Louise McIntosh Slaughter  
Member of Congress